

### Statistics

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#### Population (2003)

California:	34,660,301	metro	(14.4% of total U.S. metro)
	<u>824,152</u>	non-metro	(1.7% of total U.S. non-metro)
	35,484,453	total	
United States:	241,395,996	metro	
	<u>49,413,781</u>	non-metro	
	290,809,777	total	

#### Farm-Related Employment (2000)

California:	2,935,050 jobs	(15.1% of total employment)
United States:	25,834,574 jobs	(15.6% of total employment)

#### Number of Farms (2002)

California:	79,631	(3.8% of total U.S. farms)
United States:	2,128,982	

#### Average Farm Size (2002)

California:	346 acres
United States:	441 acres

#### Market Value of Agricultural Products Sold (2002)

California:	\$25.7 billion
United States:	\$200.6 billion

**Rank among all States in market value of agricultural products sold (2002): #1**

#### Top 5 Agricultural Commodities (2002)

Dairy products	3.8	18.6
Greenhouse/nursery	3.0	21.5
Grapes	2.6	90.4
Lettuce	1.6	56.4
Cattle and calves	1.2	3.2

### **Value of Agricultural Products Sold Directly to Consumers (2002)**

California: \$114.4 million  
United States: \$812.2 million

### **Farmers Markets (2004)**

California: 439  
United States: 3,617

### **Market Value of Certified Organic Commodities (2002)\***

California: \$149.1 million  
United States: \$392.8 million

\*(Data may not reflect actual industry growth after Oct. 2002 implementation of USDA National Organic Program.)

### **Certified Organic Acreage (2001)**

California: 163,158  
United States: 2,343,857

### **USDA-Accredited Organic Certifying Agents (2005)**

Based in California: 11  
Total: 96

**California has a USDA-approved State Organic Program.**

## **Marketing Products and Services**

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### **Specific to California**

#### **Organic Seal Research Project.**

AMS expanded the scope of an ongoing cooperative research agreement with the California Institute of Rural Studies (CIRS) to investigate the impact of USDA's organic seal on consumer purchasing behavior. Six consumer focus groups were held in the summer of 2005.

### **CSA Assessment**

AMS conducted a study with the California Institute for Rural Studies to assess the importance of subscription/community supported agriculture in creating a profitable outlet for small and medium-sized growers. The study involved investigating eight community-supported agricultural marketing operations in California and Washington State.

### **Organic Consumer Study**

AMS is supporting a study with the California Institute for Rural Studies to investigate the impact of USDA's national organic standards on consumer purchasing behavior. The study will investigate consumers' familiarity with the standards and the USDA organic seal, determine whether consumer confidence in organic-labeled items has increased, and assess whether changes in consumer confidence have influenced purchasing volumes.

### **AMS Hosts Supply Chain Management Symposium**

AMS hosted a supply chain management symposium in May 2004 in cooperation with the University of Georgia and the California Polytechnic State University at the San Luis Obispo campus. The Distribution Management Simulator, developed at Massachusetts Institute of Technology, was used to demonstrate the dynamics of supply chains. Symposium participants—growers, packers, shippers, wholesalers, retailers, food service agents, produce marketers, and representatives of the transportation industry—discussed real-world problems and opportunities in distributing fresh produce.

### **AMS Participates in NAFDMA Conference**

In February 2004, AMS participated in the North American Farmers' Direct Marketing Association (NAFDMA) Conference in San Francisco and Sacramento. The theme for this year's conference is *California Grown 2004—A Bounty of Golden Ideas*. AMS hosted a 3-day pre-conference farmers market bus tour, visiting some of the most popular farmers markets in California. The second part of the conference, which will take place in Sacramento, included the first annual meeting of the newly formed Farmers Market Coalition. AMS staff also participated in several farmers market workshops aimed at developing new and innovative ideas for assisting and promoting farmers markets.

### **AMS Representative Speaks at Migrant Education Program**

In April 2004, USDA's Small Farm Coordination Committee brought together 35 students and their chaperones from the Santa Clara area as part of the Migrant Education Program, presenting information on programs and employment opportunities within USDA. The AMS representative, one of the agency's small farm representatives, presented an overview of the AMS programs and shared his experiences as a former intern, encouraging the students to pursue their goals and aspirations beyond high school.

### **Facility Design and Business Plan Development for Los Angeles Market**

AMS completed a cooperative project with Esperanza Community Housing Corporation to determine facility and space requirements for the Mercado La Paloma public market in Los Angeles. The study described functional and operational features for the market, and presented conceptual designs for construction of new facilities.

### **Small Farm Conference Held in Ventura Beach**

The 17<sup>th</sup> California Small Farm Conference was held in Ventura Beach in May 2004. The conference's mission is to protect, support, and increase the economic viability of the State's small-scale farmers and their communities. This year's conference focused on finding solutions and sharing information about the issues, resources, techniques, and opportunities vital to the economic survival and betterment of small farms. An AMS representative spoke at the "Innovative Marketing of your Farmers Market" workshop, presenting information about AMS programs and services and the new Farmers Market Promotion Program outlined in the 2002 Farm Bill and its benefits to farmers markets and other direct producer-to-consumer

opportunities. The conference also included a tour of a local farmers market, orchard, and farm-based restaurant.

#### **Farmers Market Coalition Meeting**

AMS helped organize the first annual meeting of the Farmers Market Coalition (FMC) in Sacramento in February 2004, to coincide with the annual meeting of the North American Farm Direct Marketing Association (NAFDMA). AMS helped to establish FMC in partnership with NAFDMA in late 2002 in order to create a central information resource for market managers, farm vendors, and markets enthusiasts that would help support and strengthen farmers market development.

#### **AMS Provides Technical Assistance to Alameda Wholesale Market**

An AMS architect reviewed design proposals and inspected the site of the proposed Alameda Wholesale Market in August 2002. The site will house a produce distribution and business park comprising approximately 1.27 million square feet. The City of Los Angeles and the State of California are interested in developing and expanding the market to support local agricultural distribution.

#### **Professional Development of Farmers Market Managers**

AMS provided support to the University of California's Small Farm Center to develop educational and training documents and resources for farmers market managers and boards. The project was designed to enhance the performance of farmers markets by improving the skills of managers and the policy boards that oversee their operation.

#### **Direct Marketing Study**

AMS sponsored a cooperative research project with the California Institute for Rural Studies that identified the role of direct marketing in farm entry and long-term farm viability in California, with a case study of how Mien (a Laotian ethnic group) strawberry producers in the Sacramento area have successfully used direct farm marketing channels as a springboard for economic advancement. General results indicate that direct marketing is often employed as an entry strategy for small farmers, primarily young farmers, and those farmers who have recently retired from other careers. Farmers Markets and CSAs (community supported agriculture) are popular direct marketing vehicles. The success of Mien farmer strawberry production, whose main direct marketing vehicle is roadside stands, was tied to strong social and family relations as they relate to labor and pooling of resources. Drawbacks that could limit success in the long run include lack of cold storage and language barriers. A report of the study can be read at [The California Agricultural Direct Marketing Study](#) (PDF).

#### **Supply Chain Management Symposium**

In May 2004, AMS hosted a produce supply chain management symposium in cooperation with the University of Georgia and the California Polytechnic State University at the San Luis Obispo campus. The dynamics of supply chains were demonstrated using the Distribution Management Simulator developed at MIT. Real-world problems and opportunities of fresh produce distribution were discussed by growers, packers, shippers, wholesalers, retailers, food service personnel, transportation service providers, and participants from the fresh-cut produce industry.

#### **California Small Farm Conference**

AMS staff presented information about the agency's direct marketing programs at the annual California Small Farm Conference held in Ventura in November 2002.

#### **Outreach Conferences for Limited-Resource and Socially Disadvantaged Farmers**

AMS helped organize, conducted marketing workshops, and distributed educational materials

on marketing practices and strategies for limited-resource farmers at national USDA outreach conferences held in San Diego in 2003.

#### **Farm-to-School Conference**

AMS provided planning assistance, contacts, talking points and handout materials related to farm-to-school marketing connections to the organizers of the conference, "Food Matters in Sonoma County: Farm-to School Coalition Building," held in Santa Rosa, February 2002.

#### **Federal State Marketing Improvement Program (FSMIP) Grants**

FSMIP provides matching funds to State Departments of Agriculture and other appropriate State agencies to assist in exploring new market opportunities for food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the marketing system.

- In 2005, \$49,000 to the California Department of Food and Agriculture, in cooperation with the California Dried Fruit Export Association, the Dried Fruit Association of California, and the Northern California World Trade Center, to research the market for dried fruit in Mexico and to assess opportunities for sales of dried fruit to California supermarkets that cater to Hispanic consumers.
- In 2002, \$51,000 was awarded to the Regents of the University of California to enhance the economic viability of small farms and rural communities and foster the preservation of farmland and agriculture in the Yolo-Solano-Napa region through a farm trails and agri-tourism project.
- In 2002, \$35,900 was awarded to the California Department of Food and Agriculture, in cooperation with the Lodi-Woodbridge Winegrape Commission, to help wine-grape growers learn how to establish wineries and vertically integrate their operations to add value and attract consumer interest.

#### **Regional Interest**

##### **Direct Marketing Publication in Spanish**

In response to the growing demand among producers and agricultural extension staff for direct marketing information in Spanish, AMS has published *Las Ventas Directas Hoy en Día: Retos y Oportunidades*, a Spanish-language version of its popular publication, *Direct Marketing Today: Challenges and Opportunities*, originally published in 2001.

##### **AMS Publishes Report on Mexican Produce Distribution Practices**

AMS published *Mexico's Changing Marketing System for Fresh Produce: Emerging Markets, Practices, Trends, and Issues* (PDF) in 2002. The report, which was prepared in collaboration with USDA's Economic Research Service and Texas A&M University, focuses on how trade liberalization is transforming the structure of the traditional fresh fruit and vegetable marketing system in Mexico. The rapid growth of national and international supermarket chain stores in recent years has prompted changes in the traditional supply chain. Recent entrants to the Mexican supermarket industry have begun to introduce new forms of supply chain management and procurement practices developed in their home market and other foreign markets, threatening the traditionally dominant role of the urban wholesale market in Mexican retailing. The report describes the changes that have taken place in Mexico's fresh produce distribution system in recent years, the challenges that continue to undermine efficient distribution of fresh fruits and vegetables, and the implications of these changes and challenges for U.S. fresh produce growers and shippers. The publication is also available in a print edition upon request from AMS.

## **General Interest**

### **New Farm-to-School Marketing Publication**

*Eat Smart—Farm Fresh! A Guide to Buying and Serving Locally-Grown Produce in School Meals* (PDF) was published in December 2005 by the Food and Nutrition Service (FNS) of USDA. The publication, which helps school lunch programs find locally-grown produce, was developed by a multiagency task force that included an agricultural marketing specialist from AMS, four child nutrition specialists from FNS, and the Community Food Security Coalition, a non-profit organization.

### **Farm-to-School Report**

*How Local Farmers and School Food Service Buyers Are Building Alliances* (PDF) helps small farmers and school food service buyers explore how they might establish direct marketing linkages.

### **Marketing via the Internet**

*How to Direct Market Farm Products on the Internet* (PDF) is designed to help small/medium-sized agricultural producers better develop Internet-based sales transactions by recommending effective methods for reaching and retaining customers.

### **Trends in Farmers Markets**

*U.S. Farmers Markets—2000: A Study of Emerging Trends* (PDF) assesses the importance of farmers markets as a distribution channel for farm products, documents the recent growth in farmers markets operations, and provides an updated profile of management, operations, and merchandising at farmers markets.

### **Market Research on Small Meat Processors**

*Enhancing Commercial Food Service Sales by Small Meat Processing Firms* (PDF), published by AMS in cooperation with Texas A&M University, determines potential areas of competitive advantage for smaller scale meat manufacturing firms in supplying local restaurants and other local commercial food service accounts.